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California Department of Water Resources



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**DWR Analysis of Energy Cost May Lead to  
Reduced Revenue Requirement**

Sacramento - The California Department of Water Resources (DWR) announced today that it has begun a detailed analysis of its energy cost to determine whether a supplemental revenue requirement determination is necessary to update and possibly reduce its energy cost estimates for 2003.

Besides evaluating its costs associated the long-term contracts, the updated revenue requirement will take into account the success of transferring the responsibilities of purchasing power back to the investor owned utilities on January 1, 2003.

The revenue requirement is a financial analysis and forecast of energy costs the Department has and expects to incur for the year. The last revenue requirement filed with the California Public Utilities Commission in August 2002 showed the Department's cost forecast at \$4.8 billion for calendar year 2003.

The Department's preliminary evaluation of its costs indicates that there may be a reduction in costs, however, there is no guaranteed outcome until the process has been thoroughly evaluated and all input is considered.

To review the revenue requirement filed in August 2002, visit the Department's California Energy Resources Scheduling Division at [www.cers.water.ca.gov](http://www.cers.water.ca.gov).

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